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STATE OF MISSOURI
COUNTY OF ST. LOUIS
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RESIDUE PURCHASE AGREEMENT

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Ham This Agreement is made and entered into as of this June 9th day of ~~May~~, 1967, by and between COMMERCIAL DISCOUNT CORPORATION, a Delaware corporation, herein called "Seller", and COTTER CORPORATION (N.S.L.), a New Mexico corporation, herein called "Buyer".

A. Recitals:

1. Seller owns in excess of 54,000 dry tons of mineral residue located at 9200 Latty Avenue, Hazelwood, Missouri. The total amount of such mineral residue located on such site and described in Exhibit A as Congo Raff, Colorado Raff., C-Slag and Barium Sulfate, together with all mineral values contained therein, is herein referred to as the "residue".

2. Buyer is the owner and operator of a mineral processing plant near Canon City, Colorado, herein referred to as the "plant".

3. Seller and Buyer desire to enter into this agreement under the terms of which, Seller will have the obligation to deliver the residue at the point of delivery hereinafter defined, and Buyer will have the exclusive right and obligation to purchase the residue, in accordance with the terms and conditions of this agreement.

B. Agreement:

In consideration of the mutual covenants herein provided to be kept and performed, Seller and Buyer agree as follows:

1. Warranty of Title:

(a) Seller warrants that at the time of delivery of the residue, or any portion thereof, to the Buyer at the point

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of delivery in Canon City, Colorado, it will have good and marketable title to the residue, free and clear of all royalties, overriding royalties, production payments, mortgages, liens, encumbrances, claims or demands of any nature.

(b) Seller agrees to indemnify Buyer and hold it harmless from all suits, actions, damages, costs, liabilities, losses, claims and demands arising from or related to claims of third parties against the residue, or to taxes, license fees or charges thereon attributable to the period prior to delivery.

2. Crushing and Shipping:

(a) All residue to be delivered to Buyer hereunder shall be of a size sufficient to pass through a grizzly with openings 12 inches square. Residue which is in accordance with this paragraph shall be loaded into railroad cars which are in condition sufficient to prevent loss of residue in transit. In the event residue is lost in transit, Buyer shall have no claims nor rights against Seller for such loss except to the extent the amount of payment as provided herein would be reduced by delivery of less residue because of such loss in transit.

(b) Such cars of residue shall be shipped to Santa Fe Track No. 32, Norack Mine Siding at Canon City, Colorado, or to such other delivery point at Canon City, Colorado, as Buyer may designate in writing, herein called the point of delivery; provided, that no such change in point of delivery shall increase freight costs to Seller.

(c) The initial shipment of residue shall be delivered to the point of delivery no later than July 1, 1967. Commencing with the month next following the month in which the initial delivery of residue is made, Seller shall deliver to Buyer at the point of delivery a minimum of 6,500 tons of residue each calendar month until the total amount of the residue has been delivered; provided that all of the residue shall be

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delivered no later than December 31, 1970, and the last month's shipments may be less than 6,500 tons.

(d) Seller shall pay all costs and charges incurred in connection with the shipping and delivery of the residue at the point of delivery and Seller shall be reimbursed therefor by the Buyer to the extent and as provided for in Paragraph 7 below.

(e) Buyer shall pay all demurrage and all costs and charges incurred in unloading the residue at the point of delivery and in transporting the residue to the plant. Buyer will unload and transport the residue in a workmanlike manner using methods designed to prevent unnecessary waste of the residue.

3. Metallurgical Characteristics and Grade of Residue:

Buyer agrees to accept delivery and pay for all residue delivered by Seller during any calendar month in accordance with the provisions of Paragraphs ^{5(b)} 6 and 7 below. *DM* *HB*

4. Determination of Dry Weight and U₃O₈ Content:

(a) The residue will be transported from the Nonack Mine Siding to the plant by Buyer's trucks. The net weight of each truck load of residue shall be determined by weighing each truck, loaded and empty, on scales to be provided by Buyer at the plant. A receipt for each such delivery shall be furnished to Seller showing the net ton weight of the residue. Representative samples of each truck load shall be taken at the time of weighing or as soon thereafter as possible, and the moisture content determined in Buyer's laboratory by methods generally employed in the industry, thereby establishing the dry weight of each truck load. A receipt showing the dry weight of each load shall be furnished to Seller as soon as practicable after the dry weight has been established.

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(b) The residue shall be accumulated by Buyer into lots of not less than 150 tons each and not more than 250 tons each sampled and assayed as herein provided, except that the final lot may be smaller or larger than such limits. Buyer shall sample the residue by methods presently employed by it in accordance with contractual requirements imposed upon Buyer by the Atomic Energy Commission. A representative portion of each sample of each lot of residue will be divided into four pulps and distributed as follows: Seller or his representative will receive one pulp; Buyer will retain one pulp; the remaining two pulps will be reserved by Buyer for possible umpire analysis. Buyer shall make, or cause to be made, an assay of Buyer's pulp for U_3O_8 content. Seller may assay his pulp, but if he fails to make an assay, the assay of Buyer shall be accepted as final. If both parties make assays, the results of Buyer's assay and Seller's assay of the respective sample pulps shall be exchanged by crossing certified mail or other method mutually agreed upon by the parties. If the variation between the assays as to U_3O_8 content is five thousandths of one per cent (0.005%) or more then at either party's request, one of the pulps of the sample held in reserve shall be submitted to any mutually acceptable laboratory for umpire assay. Any such umpire assay shall be final if within the limits of the assays of Buyer and Seller. If not, the assay which is nearer to that of the umpire assay shall prevail. The party whose assay is furthest from that of the umpire shall pay the cost of the umpire assay. In the event the umpire assay is equally distant from the assay of each party, cost of the assay shall be split equally. The U_3O_8 content thus determined shall, for all purposes, be the U_3O_8 content of the lot of residue to which such determination relates.

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5. Milling of Residue:

(a) Buyer shall process in the plant a minimum of 9,000 tons of the residue delivered and accepted hereunder during each calendar quarter commencing July 1, 1967, and shall devote at least one circuit of its plant solely for processing the residue, and continuing thereafter until all the residue delivered and accepted has been processed.

(b) Although Buyer anticipates that the residue will be processed through the plant in both an alkaline and acid circuit Buyer has no obligation to process the residue through the acid circuit. If Buyer elects to process the residue through the acid circuit Seller shall be entitled to receive payment for any additional recovery of U_3O_8 . If Buyer has processed the residue through both the alkaline and acid circuits, and if Buyer later elects further to process the residue in the plant Buyer shall have no obligation to pay Seller for any additional U_3O_8 recovered from such further processing.

6. Settlement and Payment for U_3O_8 .

(a) All residue delivered during any calendar month and accepted by Buyer, shall be weighed, sampled and assayed as herein provided, and shall be referred to herein as a " U_3O_8 settlement lot". On or before the 20th day of the month following the month in which a U_3O_8 settlement lot is delivered, Buyer shall notify Seller of the value of such U_3O_8 settlement lot. The value of such U_3O_8 settlement lot shall be determined by multiplying \$3.00 by the number of contained pounds of U_3O_8 shown by assay as above provided. On or before the 20th day of any month following the month during which any U_3O_8 is recovered from the U_3O_8 settlement lot, or any portion thereof, Buyer shall pay to Seller \$3.00 for each pound of U_3O_8 so recovered.

(b) Within twenty-four months from the time the Seller is notified of the value of a U_3O_8 settlement lot determined in accordance with (a) above, if Buyer has recovered and paid for less than 90% of said value of U_3O_8 contained in such settlement lot, Buyer shall pay to Seller an amount equal to the

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difference between the amount previously paid to Seller for such settlement lot and 90% of said value of U_3O_8 contained in such settlement lot.

7. Settlement and Payment for other Values:

(a) All residue delivered during any calendar month shall be weighed, sampled and assayed as herein provided, and, in addition to being referred to herein as a " U_3O_8 settlement lot" shall also for purposes of this paragraph be referred to as a "supplemental settlement lot". The value of the supplemental settlement lot shall be in addition to the value of the U_3O_8 settlement lot. The value of such supplemental settlement lot shall be determined by multiplying \$5.00 times the number of tons of residue shipped by Seller as confirmed by copies of the weigh bills relating to such shipments as provided by the shipping railroad. On or before the 20th day of any month following the month during which the supplemental settlement lot or any portion thereof was processed through the acid circuit Buyer shall pay to Seller for such processed supplemental settlement lot an amount equal to \$5.00 for each dry ton of such supplemental settlement lot processed through the acid circuit.

(b) within 24 months from the time the Buyer receives a supplemental settlement lot, Buyer shall pay to Seller an amount equal to the value of such supplemental settlement lot as determined above, less the amount of any payment made to Seller for any portion of the supplemental settlement lot processed through the acid circuit.

8. AEC Certification:

(a) As an express condition of this agreement

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being binding upon the Buyer, Seller shall furnish Buyer written evidence that the Atomic Energy Commission has classified the residue as "domestic source material".

(b) Seller and Buyer hereby agree that both shall be licensed by the Atomic Energy Commission to perform the transaction contemplated by this agreement.

9. Seller's Representative on Buyer's Premises:

Buyer agrees to permit an agent of Seller to enter Buyer's premises at any time during the term of this agreement and be permitted to inspect and review all actions to be performed by Buyer hereunder and to inspect and copy/such records as are required by Seller to verify Buyer's performance hereunder. *During normal office hours*

10. Assignment of Agreement:

Buyer shall not transfer or assign its rights under the terms of this agreement without the written consent of Seller, which consent will not be unreasonably withheld; provided, that if Buyer shall merge into or become consolidated with another corporation, Seller's consent to assignment shall not be required if (a) the corporation surviving such merger or consolidation, assumes in writing the Buyer's obligations hereunder; and (b) the corporation surviving such merger or consolidation shall, in the judgment of Seller, be financially capable to perform Buyer's obligations under this agreement.

11. Force Majeure:

If either party is rendered unable wholly or in part by force majeure to carry out its obligations under this agreement, such party so unable to perform shall give to the other party prompt written notice of the force majeure with reasonably full particulars concerning it. Thereupon the obligations of the party asserting force majeure so far as they are affected by the force majeure shall be suspended during the continuance of the force majeure. The party asserting force majeure shall use all possible diligence to remove the force majeure as quickly as

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possible. However, the requirement that any force majeure shall be removed with all reasonable dispatch shall not require the settlement of strikes, lockouts or other labor difficulties by either party contrary to its wishes. How such difficulty shall be handled shall be entirely within the discretion of the party asserting force majeure for such reasons. The term "force majeure" as used herein shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, governmental restraint, unavailability of equipment (including, without limitation, however, railroad equipment and trackage) if such unavailability of equipment is not caused by the fault of the party asserting such event of force majeure, action by the United States government through the Atomic Energy Commission or any other agency regulating or interfering in any way with any of the parties rights and obligations under this agreement, and any other cause whether of the kind specifically enumerated above or otherwise which is not reasonably within the control of the parties. The financial inability of either party to perform hereunder shall not be deemed a force majeure.

12. Arbitration:

The parties hereby submit all controversies, disputes, claims and matters of difference to arbitration in Denver, Colorado, according to the rules and practices of The American Arbitration Association from time to time in force, except that if such rules and practices shall conflict with the Colorado Rules of Civil Procedure or any other provision of Colorado law then in force, such Colorado rules and provisions shall govern. Each controversy shall be determined by three arbitrators unless, prior to submission of such controversy to the American Arbitration Association, the parties hereto agree in writing that the number of arbitrators shall be less than three. The arbitrators shall be chosen according to the rules and practices of the American Arbitration Association at the time in force when such controversy is submitted. This submission and agreement to arbitrate shall be specifically enforceable. The following shall be considered controversies for this purpose:

- (a) All questions relating to the breach of

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any obligations, representation, warranty or condition hereunder;

(b) All questions relating to representations, negotiations and other proceedings leading to the execution hereof;

(c) Failure of any party to deny or reject a claim or demand of any other party;

(d) All questions as to whether the right to arbitrate any question exists. Arbitration may proceed in the absence of any party if notice of the proceedings has been given to such party in accordance with the provisions of this agreement relating to notice. The parties agree to abide by all awards rendered in such proceedings. Such awards shall be final to the extent and in the manner provided by the Colorado Rules of Civil Procedure. All awards may be filed with the Clerk of the District Court in Denver, Colorado, and, at the election of the party making such filing, with the clerk of one or more other courts, state or federal, having jurisdiction at the domicile of the person against whom such award is rendered, or over the place where any of his property is located, or otherwise having jurisdiction over such party or his property. Judgment or a decree of any kind may be entered on such award in all such courts. Execution may issue thereon and such judgments and decrees shall otherwise be enforceable in the same manner as any other judgment or decree of such courts. Consent is hereby given to the jurisdiction of the courts of the State of Colorado and the United States District Court for the District of Colorado over the parties hereto in reference to any matter arising out of the foregoing arbitration or this agreement. This agreement and such awards shall also be enforceable pursuant to the laws of any other state or government (including the United States) which may acquire jurisdiction, including but not limited to the confirmation of award wherever rendered and the enforcement thereof by

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entry of judgment thereon.

13. Notices:

All notices or instructions required to be given under the terms hereof shall be in writing and shall be validly and sufficiently made and given if mailed, postage prepaid, by certified mail, to Buyer at Roswell, New Mexico, and Post Office Box 751, Canon City, Colorado 81212, or to Seller at 105 W. Adams, Chicago, Illinois 60603.

14. Failure to Procure License:

Seller shall use its best efforts to obtain the Atomic Energy Commission licenses necessary, as required in Section 8(b) of this agreement, to dry and ship the residues which are the subject matter of this agreement. In the event, however, the Atomic Energy Commission refuses to issue Seller such licenses the Seller shall have no further obligation hereunder except to promptly notify the Buyer of such refusal and the Buyer shall thereafter have the right, for a period of 30 days, to attempt to secure all necessary approvals from the Atomic Energy Commission.

15. Construction of Agreement:

This agreement shall be deemed to be a contract under the laws of the State of Colorado and for all purposes shall be construed in accordance with such laws.

16. Entire Agreement:

This instrument sets forth the entire agreement between the parties. No provision of this agreement may be altered, amended, revoked or waived except by an instrument in writing signed by the party sought to be charged with such amendment, revocation or waiver.

17. Binding Effect:

This agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

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IN WITNESS WHEREOF this agreement has been executed
as of the day and year first above written.

ATTEST:

Robert E. Stonberg
Secretary

COMMERCIAL DISCOUNT CORPORATION

By *A. R. McPherson*
President

SELLER

ATTEST:

S. H. Cavin
Secretary

COTTER CORPORATION (N.S.L.)

By *David P. Marcott*
Executive Vice President

BUYER

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss

The foregoing instrument was acknowledged before me this
11th day of June, 1969, by David P. Marcott and S. H. Cavin, Executive
Vice President and Secretary, respectively, of Cotter Corporation,
a New Mexico corporation, on behalf of said corporation.

Witness my hand and official seal.

My Commission expires:
October 12, 1972

Clara Lee Wagner
Notary Public

Notary Public

EXHIBIT A

ORE RESIDUES LOCATED AT 9200 LATTY AVE., HAZELWOOD, MO.

Residue	Density in lb./cu. yd. (1)	Cubic Yards (2)	Wet Tons (1&2)	Moisture content % (1&3)	Dry Tons	U ₃ O ₈ (3) %	Contained lbs.	Recovery of U ₃ O ₈ (3) %	lbs.
Congo Raff.	2380	59,769	71,125	48.0%	36,985	0.36	266,000	90%	239,400
Colorado Raff.	2380	19,718	23,464	45.0%	12,905	0.31	80,000	90%	72,000
C-Slag	2192	3,957	4,338	18.5%	3,535	1.2	84,600	90%	76,140
Unleached Barium Sulfate	3243	538	872	14.0%	750	1.0	15,000	90%	13,500
Totals			99,799		54,175		445,600		401,040

Sources:

- (1) Reitz & Jens, St. Louis, Mo. - consulting engineers
- (2) Stolwyk, McDaniel, Ferrenbach, Inc., St. Louis, Mo. - engineers, planners & Surveyors
- (3) Colorado School of Mines Research Foundation, Inc. - Golden, Colorado

END OF DOCUMENT

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